



## **INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM**

### **PROGRAM ADMINISTRATOR MANUAL**

**2013-14**

Indiana Housing and Community Development Authority  
Community Programs Department  
30 South Meridian Street  
Suite 1000  
Indianapolis, IN 46204  
(317) 232-7777  
[www.ihcda.in.gov](http://www.ihcda.in.gov)

## TABLE OF CONTENTS

<b>SECTION 100: IDA PROGRAM HISTORY.....</b>	<b>4</b>
STATE HISTORY .....	4
FEDERAL HISTORY.....	4
PROGRAM SUMMARY .....	5
<b>SECTION 200: INTAKE AND ELIGIBILITY.....</b>	<b>6</b>
201    APPLICATION PROCESS .....	6
202    ELIGIBILITY DETERMINATION.....	6
203    INCOME ELIGIBILITY.....	7
204    INCOME DETERMINATION .....	7
205    ACCEPTABLE ELIGIBILITY DOCUMENTS .....	9
206    DOCUMENTATION OF IDENTITY AND RESIDENCY .....	10
207    HOUSEHOLD DETERMINATION .....	10
208    FREQUENCY OF DETERMINATION .....	11
<b>SECTION 300: PARTICIPANT SELECTION.....</b>	<b>12</b>
301    ORIENTATION .....	13
302    PROGRAM WAITLIST.....	13
303    SAVINGS CLUBS .....	13
<b>SECTION 400: SAVINGS REQUIREMENTS .....</b>	<b>14</b>
401    EARNED INCOME .....	14
402    REGULAR SAVINGS DEPOSITS.....	14
403    SAVINGS PLAN AGREEMENT .....	15
404    MINIMUM DEPOSITS .....	16
405    LUMP SUM DEPOSITS.....	16
406    MISSED DEPOSITS .....	16
407    DEPOSIT OPTIONS .....	18
<b>SECTION 500: ACCOUNT STRUCTURE.....</b>	<b>18</b>
501    ACCOUNT SET-UP.....	18
502    BANKING FEATURES.....	18
503    PROJECT PERIOD .....	19
504    MATCH PROCESS.....	19
505    CLAIM DEADLINES .....	19
506    WITHDRAWAL PROCESS .....	20
<b>SECTION 600: ELIGIBLE ASSET PURCHASES .....</b>	<b>22</b>
601    QUALIFIED ASSET PURCHASE PROCEDURE.....	24
<b>SECTION 700: CASE MANAGEMENT .....</b>	<b>25</b>
<b>SECTION 800: ACCOUNT CLOSINGS .....</b>	<b>27</b>
<b>SECTION 900: DATABASE MANAGEMENT AND REPORTING .....</b>	<b>29</b>
901    ENTERING A NEW APPLICATION.....	31
902    PROGRAM YEAR.....	31
903    CONTRACTS .....	31
904    LEGAL DOCUMENTS FOR BANKS .....	32
<b>SECTION 1000: ADMINISTRATIVE BUDGETS.....</b>	<b>33</b>
<b>SECTION 1100: PROGRAM COMPLIANCE AND MONITORING.....</b>	<b>34</b>
1101    OVERVIEW OF THE MONITORING TIMELINE: .....	34

1102	MONITOR PREPARATION:.....	34
1103	THE REVIEW:.....	34
1104	THE REPORT AND RESPONSE PERIOD:.....	35
1105	THE APPEALS PROCESS:.....	35
<b>SECTION 1200: APPEALS PROCESS .....</b>		<b>36</b>
<b>SECTION 1300: TRAINING REQUIREMENTS.....</b>		<b>37</b>
1301	FINANCIAL EDUCATION TRAINING .....	37
1302	ONLINE FINANCIAL EDUCATION .....	37
1303	MINIMUM CURRICULUM ELEMENTS .....	38
1304	SUGGESTED TIPS.....	38
1305	CREDIT COUNSELING.....	39
1306	ASSET-GOAL SPECIFIC TRAINING .....	40
<b>SECTION 1400: ADDITIONAL POLICIES.....</b>		<b>41</b>
1401	ACKNOWLEDGING AFI GRANT FUNDING IN YOUR PUBLICATIONS.....	41
1402	CONFIDENTIALITY .....	42
1403	NON-DISCRIMINATION.....	42
1404	MULTIPLE HOUSEHOLD IDAS .....	42
1405	NEPOTISM.....	42
1406	ACCOUNT GARNISHMENT.....	43
1407	BENEFICIARY DESIGNATION.....	43
<b>APPENDIX.....</b>		<b>44</b>
APPENDIX A	INDIANA CODE .....	44
APPENDIX AA	IDA PARTICIPANT FILES.....	44
APPENDIX B	AFI LEGISLATION.....	44
APPENDIX BB	OWNER OCCUPIED REHABILITATION GUIDANCE .....	44
APPENDIX C	SAMPLE IDA CONTRACT.....	44
APPENDIX CC	TWO YEAR SAVINGS PLAN AGREEMENT.....	44
APPENDIX D	BUDGET WORKSHEET .....	44
APPENDIX F	LIST OF PROGRAM ADMINISTRATORS .....	44
APPENDIX G	PARTICIPANT APPLICATION.....	44
APPENDIX H	FOUR YEAR SAVINGS PLAN AGREEMENT .....	44
APPENDIX I	ACCOUNT CHANGE FORM .....	44
APPENDIX J	ACCOUNT CLOSEOUT FORM.....	44
APPENDIX K	ASSET WITHDRAWAL FORM.....	44
APPENDIX L	BUSINESS ASSESSMENT FORM.....	44
APPENDIX M	BUSINESS WITHDRAWAL CHECKLIST.....	44
APPENDIX N	EDUCATION WITHDRAWAL CHECKLIST .....	44
APPENDIX O	HOMEOWNERSHIP ASSESSMENT FORM.....	44
APPENDIX P	HOMEOWNERSHIP WITHDRAWAL CHECKLIST.....	44
APPENDIX Q	FINANCIAL SKILLS ASSESSMENT .....	44
APPENDIX R	IDA TRAINING LOG.....	44
APPENDIX S	INCOME CALCULATOR WORKSHEET .....	44
APPENDIX T	PARTICIPANT ASSESSMENT TOOL.....	44
APPENDIX U	RELEASE OF INFORMATION.....	44
APPENDIX V	EMERGENCY WITHDRAWAL REQUEST FORM .....	44
APPENDIX W	TRAINING CERTIFICATION.....	44
APPENDIX X	NEW PARTICIPANT WELCOME LETTER .....	44
APPENDIX Y	ZERO INCOME AFFIDAVIT .....	44
APPENDIX Z	IDA INCOME CALCULATION WORKSHEET INSTRUCTIONS .....	44

## SECTION 100: IDA Program History

### State History

The Indiana Individual Development Account (IDA) Program is an asset development program for low-income individuals. Established in 1997, Indiana state legislation (I.C. 4-4-28) created the Indiana Individual Development Account (IDA) program as an innovative tool to help low-income Hoosiers build assets, attain self-sufficiency, learn personal financial skills, and invest in improving their quality of life. Included in the legislation was a provision for a program evaluation to determine whether to extend the program after the demonstration period expired.

Since that time, Indiana has utilized Individual Development Accounts as one strategy to help lower-income families save for the purchase of an asset and enter the economic mainstream.

### Federal History

The American Dream Demonstration (ADD) was the first large-scale test of Individual Development Accounts as a social and economic development tool for low-income communities. Initiated by the Corporation for Enterprise Development (CFED) in September 1997, ADD brought together 13 community-based organizations selected through a competitive process to design, implement and administer IDA initiatives in their communities. It ran for four years (1997-2001) and the research took place over the course of seven years (1997-2003).

Studies of ADD revealed several valuable lessons:

- Poor people can and do save in IDA programs; in fact the very poorest (under 50% of the federal poverty line) save at least two to three times the rates of the less poor (those between 150%-200% of the poverty line).
- Financial education is important, significantly raising savings rates and providing program consistency.
- Account holders save primarily through reducing other expenditures and secondarily through increasing income.
- The majority of account holders are able to amass critical assets through IDAs.
- IDAs have significant psychological and social effects, increasing future orientation, financial skills, and sense of control, initiative-taking, and civic and family participation.

The key elements of effective IDA programs include match rates, parallel account structures, broad-based partnerships, and financial management education and asset-goal specific training programs.

In 1998, the United States Congress passed the Assets For Independence Act (AFI), which created a parallel demonstration program that complements Indiana's IDA program.

When the AFI program was created, Indiana's federal component was incorporated into the state's program. Because Indiana's program existed prior to AFI, Indiana's program structure was grandfathered into the national program under the 1997 state code. Both Indiana's and AFI's program have evolved since their inception, but Indiana's program model is based on the 1997 state code that created the program.

## Program Summary

Individual Development Accounts are matched savings accounts designed to encourage low-income families to save for the purchase of an asset (e.g., home, rehab, education/job training, or small business). Participants in the program are required to successfully complete financial education as well as training related to a specific asset purchase.

The program year is October 1 to September 30. The program covers most of the state and is administered by over 25 local program administrators. (See Appendix F for a list of local program administrators)

The objective for Indiana's IDA Program is to assist people with limited means in achieving financial independence and becoming financially self-sufficient by providing them the skills to:

- Develop a budget and set goals;
- Establish regular saving habits; and
- Invest in assets.

The IDA Program meets these objectives by providing financial education, case management, homeownership counseling and other asset-goal specific training to its IDA participants.

This manual is designed to assist administering IDA organizations and their staff achieves these goals by providing the necessary tools, framework and guidance needed to run a more effective program. The manual captures best practices from the field and provides a model for effective program management.

IHCDA will render training and technical assistance to the service providers, as needed or requested. IHCDA hosts an annual training prior to the start of each program year. Should you have any questions concerning this program, please contact Taura Edwards, Community Programs Manager at [taedwards@ihcda.in.gov](mailto:taedwards@ihcda.in.gov) or (317) 234-5825, or Allison Knox, Community Programs Analyst at [aknox@ihcda.in.gov](mailto:aknox@ihcda.in.gov) or (317) 234-6973.

**Indiana Housing and Community Development Authority**

**Toll Free: 1-800-872-0371**

## **SECTION 200: INTAKE AND ELIGIBILITY**

### **201 Application Process**

An interested participant should contact a local program administrator for information about the program.

Step 1. Each prospective IDA participant should receive a packet including the following documents:

- IDA Application
- Credit Report and Score Information

Step 2: Application Review Process to:

- Determine the eligibility of the applicant to participate in the program
- Assess any potential barriers that may hinder an applicant's ability to successfully complete the program and purchase the desired asset.

### **202 Eligibility Determination**

In addition to income limitations, at the time of application, an IDA applicant must:

- Have earned income at least equal to the amount of his/her annual savings obligation;
- Be a resident of the state of Indiana; and
- Meet additional requirements as set forth by the individual administering IDA Organization (i.e. service area limits, specific target population etc.).

## 203 Income Eligibility

As defined by Indiana Code 4-4-28-6, a qualifying individual means an individual who may establish an individual development account because the individual:

- Is a member of a household with an annual household income that is less than 175% of the federal income poverty guidelines.
- Receives or is a member of a household that receives TANF assistance.

\*The chart below displays the maximum household income allowed based on household size. These figures represent 174.9% of the federal poverty guidelines, which is published annually.

Household Size	100% Poverty Guidelines	Maximum Household Income Allowed Annually	Maximum Household Income Allowed Monthly	Maximum Household Income Allowed Bi-Weekly
1	\$11,490	\$20,096.01	\$1,674.66	\$772.92
2	\$15,510	\$27,126.99	\$2,260.58	\$1,043.34
3	\$19,530	\$34,157.97	\$2,846.49	\$1,313.76
4	\$23,550	\$41,188.95	\$3,432.41	\$1,584.19
5	\$27,570	\$48,219.93	\$4,018.32	\$1,854.61
6	\$31,590	\$55,250.91	\$4,604.24	\$2,125.03
7	\$35,610	\$62,281.89	\$5,190.15	\$2,395.45
8	\$39,630	\$69,312.87	\$5,776.07	\$2,665.87
Ea. additional person, add	\$4,020	\$7,030		

\* Last updated December 2013

## 204 Income Determination

While Indiana's IDA Program must collect and document ALL sources of income, Indiana bases income eligibility on earned income alone. Income eligibility determination shall be based on total projected household income, as of the date of application for participation in Indiana's IDA Program.

To determine an applicant's projected income, Administrators should follow the following steps:

Step 1 - Collect six (6) weeks of current and consecutive paystubs for each household member

Step 2 - Determine if income is consistent

- If income is inconsistent (hours, pay or overtime varies from week-to-week), then IDA Administrators must use the YTD income to average and annualize projected income.
- If income is consistent (hours and gross pay remain the same week-to-week), then IDA Administrators may average and annualize

Step 3 - Fill out and use IHEDA Income Calculation Worksheet (see Forms) to determine combined total annual income for EACH household member. If the individual applicant or another household member is self-employed, you do not include that individual's income on this spreadsheet.

Note: If, at time of application, the individual applicant or any of his/her household members have more than one job, you must treat each job separately (as an individual) for purposes of filling out the Income Calculation Worksheet (ICW) form.

### Income Calculation Worksheet – Earned Income Only



### Individual Development Account Income Calculation Worksheet

Applicant's Name:

Date of Application:

Household Size:

Payroll Frequency	Payroll Factor
Weekly (W)	52
Bi-weekly (BiW)	26
Bi-monthly (BiM)	24
Monthly (M)	12

Total HH Income (C): #DIV/0!

Total HH Income (I): #DIV/0!

NOTE: MUST use the HIGHER of the two above combined calculated incomes to determine eligibility.

HHold Member #1 Name:

Pay Periods Per Year:

6 wks Consecutive  
Paystubs?

YTD Pay Periods  
Received

YTD Gross Income

	Stub Date	# Hours Worked	Hrly Rate	Includes Overtime?	Gross Pay
Paystub #1					
Paystub #2					
Paystub #3					
Paystub #4					
Paystub #5					
Paystub #6					
Averages		#DIV/0!			#DIV/0!

Annual Projected Income Based on Income Average (C): #DIV/0!

Annual Projected Income Based on Income YTD (I): #DIV/0!



## Earned Income

Earned Income, as defined by the Internal Revenue Service (IRS), is “all income from employment, but only if it is includable in gross income.” Earned income generally includes all taxable income which individuals receive from working--income that is not taxable generally does not count as earned income.

Examples of earned income include:

- Taxable wages, salaries and tips
- Net earnings from self-employment to the extent such net earnings constitute compensation for personal services actually rendered
- Gross income received as statutory employee

Excluded from consideration as earned income are:

- Alimony and Child Support
- Welfare Payments
- Social Security Disability Income (SSDI)
- Supplemental Security Income (SSI)
- Federal Program Stipends
- Interest and Dividends
- Pension and annuities
- Worker's, Unemployment and Veteran's compensation benefits
- Salary deferrals, such as contributions to 401(k) plans, Federal Thrift Savings Plan income.

## 205 Acceptable Eligibility Documents

Applicants who wish to have their IDA application accepted for review must submit the following documents as part of their IDA application submission:

- Copy of the most recent six weeks of consecutive pay stubs for all wage earners in the household.
- Eligibility/award letters for any government assistance received by the applicant household for the current year.
- Copy of applicant's most recent Federal tax return, filed less than 12 months prior to date of application.

Other income documentation that may be considered:

- Salary, wage statements or W-2 forms
- Third-Party Verification of employment income
- A statement signed and dated by the applicant or his/her parent/guardian, in the case of minors, that the applicant does have earned income such as an allowance. This method of

documentation should be used only when it is not possible to use one of the above methods. A statement should be in the case file explaining why a self-declaration was used.

Type of Income	Description	Required Documents
Consistent	Wages or salary	Six Weeks of Current Consecutive pay, showing gross earnings for the pay period
Inconsistent	Tips, commission and seasonal employment	Six Weeks of Current Consecutive pay stubs showing gross earnings for the pay period; AND Prior year's W-2s or a signed tax return (tax returns only accepted for individuals who did not file a joint return); AND Written confirmation of seasonal employment, if applicable.
Self-Employment	Earnings of a sole proprietor of a trade or business or an independent contractor	Current quarterly profit/loss statement AND prior year's signed tax return
Benefits	Retirement, Social Security, Disability, Veterans, Unemployment, etc.	Current benefit letters
Child Support and Alimony (Spousal Support)	Payments received for the care and support of children or for a divorced or separated spouse	Current Statement of deposit or court order

## 206 Documentation of Identity and Residency

Applicants must submit a copy of their current driver's license or State issued ID.

## 207 Household Determination

The Federal government defines a household as all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals. Household members benefit from shared income and resources and contribute financially to each other's needs and expenses. This designation may include the applicant, his or her dependents and other household income contributors such as a spouse, partner, ex-spouse or ex-partner, parents or other relatives.

Determining the number of people in the household does not always equate to the number of people living in the residence. Individuals may live in the same dwelling, but not share financial resources or benefit from each other's income.

**Example:** Two people living in a home, dividing costs of rent, utilities, and food, who do not pool resources for savings or shared investments or assets would not count each other in determining household size or income. This may include relatives or friends who live together in a residence but who are considered as separate and independent from each other financially.

Conversely, two individuals may live in separate residences but share income, expenses and resources, including cases in which one person is supporting another financially or is a legal dependent. In such cases, the individuals would be considered a household unit.

**Example:** A college student who is living in a dorm but is claimed as a dependent on his/her parent's tax return should be treated as a member of his/her parents' household.

After determining household members, the total household income can be calculated. **The applicant must submit income documentation for him/herself and all household contributors.**

## **208 Frequency of Determination**

Once an individual has been accepted into Indiana's IDA Program, an IDA participant may not be disqualified due to change in income, unless evidence of fraudulent application information is determined.

**Re-determination** of income is only necessary if 12 months have lapsed since the initial date of application to actual acceptance into Indiana's IDA Program. Otherwise, the initial income determination will determine eligibility of an IDA participant until the savings goal is met or the individual is no longer an active IDA Program participant.

### **Age Requirement**

While Indiana does not have an age requirement to participate in Indiana's IDA Program, it should be noted that individuals under 18 years of age will require separate financial literacy education which is more age appropriate.

## Section 300: Participant Selection

Participation in Indiana's IDA Program is generally given on a first-come, first-serve basis. However, the seriousness and ability of the program applicant to avidly save should be a factor in the review process.

Each applicant should go through an initial interview and screening process. **Not every eligible individual is an ideal candidate for the IDA program.** Certain barriers that may impede a candidate's ability to save should be taken into consideration when screening applicants for acceptance into Indiana's IDA Program.

Below is a list of characteristics which may adversely affect an individual's ability to save. Take the time to assess the true readiness of the applicant and consider the following things.

Does the applicant:

- Have established long-term goals?
- Have a clear asset purchase in mind?
- Have stable employment?
- Have the desire and willingness to address credit issues which may hinder their ability to purchase an asset(s)?
- Have the ability to make routine deposits, as set forth in the savings plan agreement, totaling \$300/annually once their basic expenses have been met?
- Have the desire and willingness to successfully complete Financial Education and other Asset-Goal Specific Training?
- Participate in direct deposit or have the ability to participate in direct deposit?

Some additional guidelines for assessing an applicant's suitability for the program include:

- Individuals who demonstrate high levels of interest and motivation as well as an ability to participate in Financial Education Training and Savings Clubs (as applicable) should receive priority
- Self-selection is an important criterion. If an applicant is interested in the Program and enthusiastic about the concept of asset building and IDAs, chances are he/she will make a good participant.
- Be careful of making assumptions based on income levels. Sometimes Participants with the lowest incomes are the best savers.
- It can be advantageous to choose individuals that you have worked with previously. You already have rapport with them, and are better able to judge their appropriateness for the Program.
- If the entire family is enthusiastic about the Program, it will increase the likelihood of success. The determination of one member of the family to change behavior around saving and spending can be undermined if their spouse/partner or children constantly sabotage the process.

Ultimately, **remember to ask yourself whether or not the applicant is truly ready to open an account or whether it would be better to wait until his/her life circumstances improve.** You will find an Assessment Tool (see Forms), with some suggested questions you might want to use to help you determine if an individual is suitable for acceptance into the Program. If it is not the right time for them now, direct them to resources at your organization or community partners that can help them move closer to their goals. Then, when they're ready, invite them back to reapply to the program.

## 301 Orientation

Some of the most successful IDA programs hold mandatory 90-minute group orientation sessions for all new IDA participants. During orientation, new participants learn in depth information about the IDA program and its requirements, mingle with other new participants, and get the opportunity to meet program graduates.

This type of introduction to the program is very beneficial and extremely compelling! Organizations who hold group orientations for their new participants report a significant increase in program compliance by their respective clients. Individuals who are willing to attend these meetings are also willing to go the extra mile to succeed.

Think your group size is too small? Try collaborating with another area administering IDA Organization.

## 302 Program Waitlist

Programs that are successful in integrating Indiana's IDA Program into their organization will have **MORE** potential IDA participants than available IDA accounts. With a limited program budget, it is necessary to establish a comprehensive waitlist.

Individuals placed on a waitlist should be encouraged to complete Financial Education Training prior to acceptance into Indiana's IDA Program, as this is a great method of screening the enthusiasm and seriousness of potential IDA participants.

## 303 Savings Clubs

Active peer support groups are perhaps your program's greatest hope for preventing participants from withdrawing. Successful peer support (Savings Club) groups can:

- Offer Participants support from other people who understand through firsthand experience the challenges of long-term saving on a low income
- Provide a mechanism for Participants to meet regularly, refocus on their IDA goals and reflect on their progress and setbacks

- Help Participants develop strong personal ties with other savers and become invested in one another's success
- Be a valuable form for resource sharing and joint problem solving
- Instill in Participants a feeling of accountability to one another; and

Ensure all Participants receive adequate support despite limited staff resources.

## Section 400: Savings Requirements

Once accepted into Indiana's IDA Program, participants are expected to meet the following conditions to remain enrolled in the program:

### 401 Earned Income

According to program regulations, IDA deposits should come from earned income. **Earned income** is any taxable wages, salaries, tips, net earnings from self-employment and/or gross income received as a statutory employee.

IDA participants may deposit money from an income tax refund; however, an IDA participant **may not** deposit income from Temporary Aid for Needy Families (TANF) payments.

### 402 Regular Savings Deposits

Upon acceptance into Indiana's IDA Program, each IDA participant is required to fill out a Savings Plan Agreement, which acts as a written contract between IHCD, the administering IDA Organization and the IDA participant. This agreement should be followed explicitly. Failure to comply may result in termination from Indiana's IDA Program.

Depending upon date of account opening, Indiana's IDA Program Savings Plan Agreement offers four options of saving:

#### Four Year Savings Plan

1. Regular Weekly Deposits (approximately \$6/weekly)
2. Regular Bi-Weekly Deposits (approximately \$11.50/bi-weekly)
3. Regular Monthly Deposits (approximately \$25/month)
4. Regular Quarterly Deposits (approximately \$75/quarter)

### Two Year Savings Plan

1. Regular Weekly Deposits (approximately \$12/weekly)
2. Regular Bi-Weekly Deposits (approximately \$23/bi-weekly)
3. Regular Monthly Deposits (approximately \$50/month)
4. Regular Quarterly Deposits (approximately \$150/quarter)

Depending on the time of year the account is opened, participants may have the option of opening their account with a one-time, lump-sum deposit, but they are still required to make regular deposits thereafter.

IDA Administrators should thoroughly review these options with their respective IDA participants during the orientation process. **Participants should be wise in choosing which savings option will be most conducive to their life situation.**

If the IDA participant is unable to meet his/her regular savings obligation, he/she is expected to at least make a minimum savings deposit as outlined in the section below titled, *Minimum/Maximum Deposits*.

## **403 Savings Plan Agreement**

Each IDA participant should receive a copy of his/her Savings Plan Agreement and agree to make a concerted effort toward saving regularly and meeting his/her regular savings' plan obligation.

The Savings Plan Agreement (SPA) reflects a commitment between the Administering IDA Organization and the IDA Participant. The Administrator should work with each Participant to develop and complete this agreement. The SPA must be signed before a participant opens their IDA and is a mandatory part of the Program.

Some of the issues which are addressed in the SPA include:

- Savings goals, including a proposed schedule of savings deposits;
- The rate at which the participant savings will be matched;
- The asset for which the participant is saving;
- An agreement that the participant will not withdraw funds except for the specified Savings Goal or for an emergency and only after notification and authorization of the Administering IDA Organization;
- An agreement by the Administrator to provide Financial Education classes and an agreement by the Participant to attend the classes;
- An agreement by the Administrator to provide asset-goal specific training related to the asset being saved for, and an agreement by the Participant to attend.
- A statement that the Participant's participation in the IDA Program shall not extend beyond the end of the grant period; and

- Beneficiary information.

## 404 Minimum Deposits

To enroll into Indiana's IDA Program, program participants are required to open their IDA account with an initial deposit of \$25.

### Minimum/Maximum Deposits

While Indiana's IDA Program requires its IDA participants to save on a regular basis, we also understand that occasionally circumstances arise that may otherwise preclude an IDA participant from meeting their regular savings obligation. In those circumstances, when approved by the administering IDA Organization, a participant may instead choose to make a minimum deposit of not less than 50% of their regular savings obligation (savings obligation x .5).

While Indiana's IDA Program does require at least a regular minimum deposit, it does not limit the amount a participant can deposit in their IDA in a given period of time. IDA participants are encouraged to save often, and save lots.

According to state regulation, IDA participants may not be taxed on any interest earned in their IDA, nor can money in their IDA account be considered an "asset" when determining eligibility for TANF benefits. We, therefore, encourage all IDA participants to take full advantage of these features to reach or exceed their savings goal.

## 405 Lump Sum Deposits

There is no question that lump sum deposits are a great method to jump-start a participants' savings, however, this type of savings should be generally discouraged. Only under rare conditions, should lump sum deposits be approved for match. The deposit of large lump sums in lieu of regular patterns of saving circumvents the development of savings habits that will enable program participants to continue to accumulate assets after leaving Indiana's IDA program.

If a participant makes a lump sum deposit, it should be noted that he/she will still be required to deposit regular savings over a period of not less than six months in order to be eligible for match.

## 406 Missed Deposits

If an IDA participant fails to make the minimum savings requirement, upon notification to the IDA Administrator, the IDA participant may miss up to three scheduled deposits without repercussion. While onus is placed on the IDA participant to contact the administering IDA Organization regarding inconsistent savings, in the event that a participant misses or fails to make a full deposit, the administering IDA Organization may contact the participant to remind him/her of the terms of his/her Savings Plan Agreement.



After three missed deposits, at the discretion of the administering IDA Organization, a participant may forfeit his/her right to receive matching funds on his/her savings and continue enrollment in Indiana's IDA Program

## 407 Deposit Options

IDA participants have three options for making deposits to their IDA:

**Option 1:** IDA participants may arrange to have regular savings deposits made via direct deposit from their paycheck to their IDA. This is a great option, because it saves time, eliminates trips to the bank, and ensures that deposits are made automatically on a regular basis.

**Option 2:** If an IDA participant's employer does not offer direct deposit, they can instead set up automatic payments from another savings or checking account to their IDA. Like direct deposit, this saves time, eliminates trips to the bank and ensures regular, timely deposits.

**Option 3:** If an IDA participant is unable to set up regular electronic deposits, he/she may instead visit their Partnering Financial Institution. However, since IDA accounts are not set up to have access to ATMs, the IDA participant will need to make his/her regular savings deposits during regular business banking hours.

For information on how to set up regular electronic deposits, please contact your local Partnering Financial Institution.

## Section 500: Account Structure

### 501 Account Set-Up

Each participant should establish two interest bearing, fee-free, savings accounts. One account holds the IDA participants' personal savings, while the other holds the participants' match funds. Participant savings accounts should be "custodial accounts" that are jointly owned by the participant and the administering IDA Organization.

Participants shall make regular deposits at designated locations as specified by the participating bank and administering IDA Organization. **Participants may not make withdrawals without the written consent of the administering IDA Organization.**

### 502 Banking Features

Each IDA participant account, for compliance reasons, should have ATM, telephone and online banking service features fully restricted. This control has been put in place to ensure the safety of participant funds (both individual and match) and to secure the integrity of Indiana's IDA Program.

## 503 Project Period

Beginning with the 2013-2014 program year, the IDA project period will be five years. The breakdown of the project period is as follows:

4-year savings period- participants have up to four program years to save and have their savings matched

1-year asset purchase period- participants have up to one year following the savings period to make an eligible asset purchase

## 504 Match Process

### Match Criteria

For an IDA participant to qualify for match funds, he/she must have:

- Submitted a complete IDA Application Packet and required eligibility documentation;
- Used earned income as source of funds on deposit;
- Started Financial education Training;
- Be in compliance with his/her Savings Plan Agreement

### Match Rate

Participant deposits will be matched at a 3:1 rate. Participant savings up to \$300 per year will be matched at this rate.

## 505 Claim Deadlines

### Match Claims

IHCDA will process claims for matching funds on a monthly basis. Only participants who have deposited the maximum \$300 into their IDA savings account may request disbursement of matching funds prior to August 1st. Claims for partial deposits may not be submitted until after August 15th of the fiscal year. Claims submitted after September 15th, may be charged to the next fiscal year.

### Administrative Claims

Beginning with IDA 013 grants, agencies can claim up to 15% of the overall grant award toward administrative expenses. Agencies can submit admin claims on a monthly basis and expenses should be claimed within 45 days of occurrence.

## 506 Withdrawal Process

IDA participants are permitted to make asset purchases once they: have completed the mandatory Financial education Training and Asset-Goal Specific Training, are in compliance with their Savings Plan Agreement and have had their IDA open for a minimum of **six (6) months**.

### Qualified Withdrawal

IDA participants may use their IDA savings and match funds to make the following asset purchases:

- To purchase a primary residence.
- Start or expand a small business.
- Further their education at an institution of higher education, vocational school or an accredited job training program.

### Emergency Withdrawals

While strongly discouraged, emergency withdrawals may be approved at the discretion of the administering IDA Organization.

Examples of when an emergency withdrawal may be approved are:

- To prevent eviction.
- To prevent foreclosure on a participant's primary residence.
- To pay for critical health care services or critical living expenses such as food supplies or heating expenses.

**Approved withdrawals** may only be made from an IDA participant's personal savings, with the approval of the administering IDA Organization. Match funds may **NOT** be used for unqualified expenses, including emergency withdrawals. Moreover, once an emergency withdrawal has been approved, **match funds for qualified withdrawals are prohibited until such time that the emergency withdrawal has been repaid.**

**Approval and amount of emergency withdrawal** may be restricted at the discretion of the administering IDA Organization due to:

- Length of time participating in Indiana's IDA Program;
- Amount of funds in personal savings;
- Non-compliance with Savings Plan Agreement; and
- Frequency of emergency withdrawal request(s).

In the event of a **denied request for emergency withdrawal** by the administering IDA Organization, an IDA participant may choose to:

- Do without the emergency withdrawal and continue participation in the IDA Program.

- Withdraw from the program and receive a full refund of all personal savings deposits and interest **and forfeit the right of future participation in Indiana's IDA Program.**

**To request an emergency withdrawal,** an IDA participant should follow the procedure below:

1. Complete and submit an Emergency Withdrawal Request Form to the administering IDA Organization.
2. Schedule a meeting with their IDA Administrator to discuss their situation and review possible alternative solutions—most problems can be solved without having to draw down on an IDA participant's personal savings.
3. If approved, develop a revised savings plan that will allow withdrawn amounts to be re-deposited into the IDA participants account within the lesser of 90 days or by April 30<sup>th</sup>. When savings that were matched do not return to the participant's IDA account, any corresponding matching funds must be returned to the State.
4. Coordinate with program staff to arrange for the withdrawal of funds from the IDA participant's savings account. Remember, any withdrawal from a custodial (joint) account requires a dual signature from the IDA participant and the administering IDA Organization.

**Important Note:** Any **unauthorized withdrawal** from an IDA participant's matched savings account will result in immediate termination from Indiana's IDA Program and prohibition from future participation.

#### **Emergency Savings Account- BEST PRACTICE**

Participants should be encouraged to set up an additional personal savings account as well as a savings plan to fund that account. Participants should be encouraged to make withdrawals from this account to cover emergency expenses as they arise. This measure will assist participants in planning for unanticipated expenses rather than making emergency withdrawals from an IDA.

## Section 600: Eligible Asset Purchases

The Individual Development Account Program is designed to help participants invest in assets, which will increase in value over time. Participants may use their IDA savings and match funds for the following qualified asset purchases, as defined in IC 4-4-28-5:

**To purchase a primary residence,** this includes a house, pre-fabricated house or condominium. Funds may be used to purchase a primary residence for the IDA participant or his/her dependent. Funds may not be used to purchase a second home or to “flip” a house.

**To start or expand a small business.** Qualified expenses include costs associated with stocking initial inventory or the purchase of business equipment. Additionally, funds may be used for purposes of marketing and other start-up costs, provided all expenditures follow an approved business plan. IDA funds may not be used to purchase a business vehicle, except when approved by the State.

**Education and Job Training.** IDA funds may pay for costs associated with attending an accredited institution of higher education, vocational school, or licensing training program that may lead to employment for the IDA participant or his/her dependent. Qualified expenses may include tuition, lab fees, books or the purchase of a computer for educational use.

According to IC 4-4-28-5, owner occupied rehabilitation and reduction of a principal amount are listed as qualified purchased. In September 2013, it was determined that these purchases are now disqualified in this program model because the state code amendments took place after 1997. Participants who have listed these two purchase types will be transitioned to asset specific goals.

Below are some examples of qualified and unqualified asset purchases. Please note, while we have attempted to provide a comprehensive list, it is not exhaustive:

Type of IDA Withdrawal	Examples of Qualified Expenses	Examples of Unqualified Expenses	Payable to	Required Documentation for Withdrawal
Home Purchase	Settlement fees, financing or closing costs, title insurance, attorney fees, inspection fees, acquisition costs, appraisal fees, mortgage insurance (as part of closing costs) and other customary "pre-paid" expenses.	Homes purchased on Land Contract, mobile home purchase, Rent-to Own or Lease-to-Purchase properties and general land acquisition.	<b>The settlement agency or title company.</b>	Signed Settlement sheet, Good Faith Estimate, home appraisal estimate, proof of completion of homeownership counseling and evidence of any additional down payment assistance.
Education & Job Training	Tuition, lab fees, books, supplies or equipment (including purchase of a computer when directly related to a student's course work), room and board, registration fees and other costs associated with attendance.	Pre-existing school debt, rent, extra-curricular activities, travel and reimbursement for any qualified or non-qualified expenses.	<b>Accredited institution of higher learning or job training program.</b>	Documentation of enrollment, Acceptance letter, copy of Bursar Bill, invoices and evidence of submission of Education/Career Plan.
Small Business	Start-up inventory, licensing fees, supplies or equipment, marketing materials and other expenses as included in an approved business plan.	Vehicle, Payroll, general funds/working capital and other expenses not included as part of an approved business plan	<b>Vendor</b>	Copy of approved business plan and copies of any relevant invoices or estimates

## 601 Qualified Asset Purchase Procedure

Once an IDA participant is ready to make a qualified asset purchase, he/she should follow the procedure listed below:

1. Notify the administering IDA Organization of intent to purchase -- As a general rule; IDA participants should request qualified withdrawals at least 30 – 60 days in advance, but no less than two weeks out from anticipated purchase date.
2. Acquire necessary documentation as deemed appropriate for the asset purchase.
3. Set up appointment to meet with IDA Administrator and fill out corresponding IDA Asset Purchase Withdrawal form. IDA participants should be certain to bring copies of any bills or invoices, as funds disbursed for a qualified asset purchase must be in the form of a check written to a third-party vendor.
  - a. **Note:** *If the cost of asset purchase is more than the combined total of savings and match, the IDA participant must show proof that he/she can cover the difference in costs.*
4. Make arrangements with IDA Administrator for check disbursement. In most cases, the check will be mailed directly to the vendor unless other arrangements have been made first.
5. Return copies of receipts resulting from asset purchase – additional requests for withdrawals may be hindered until the administering IDA Organization is supplied with receipts from previous IDA asset purchases.



## Section 700: Case Management

Below is a list of techniques your organization may use to help decrease your rate of attrition and better foster a positive communication link between you and your IDA participants.

- **Plan regular contact with your IDA participants.** Regular contact between your program and participants is a way to combat isolation and discouragement. Regular newsletters, timely monthly account statements, and occasional “check in” phone calls will help participants feel supported and keep IDA goals in the forefront of their minds.
- **Be alert and accessible.** Many participants are inherently reluctant to seek out assistance or support, even when they feel overwhelmed or discouraged. Program staff should emphasize to participants that they are available to offer assistance and back up this promise with visible policies and practices, such as setting standard “office hours”.
- **Foster successful peer support groups.** Fellow IDA participants can be one of the most effective sources of support and “preventive medicine” for participants; IDA holders can support one another especially well because all participants appreciate the difficulties of living and saving on a low-income.

## Participant Files

Good program management is not limited to case management; it also extends to an organization's record keeping practices. Program Sites are responsible for keeping comprehensive and up-to-date participant files. Below are some examples of what a typical IDA participant file should include:

- IDA Participant Application
- Savings Plan Agreement
- Release of Information
- Training Logs
- IDA Training Certificate of Completion
- SS# documentation
- Income verification documentation
- Copy of Personal Budget
- Contact Log and Case Notes
- Copies of correspondence
- Monthly Savings Log
- Withdrawal(s) Request Forms with supporting documentation
- Credit Report
- Bank statements
- Deposit forms
- Match Request Forms

## Section 800: Account Closings

In certain cases, an IDA participant may voluntarily or involuntarily have his/her IDA account closed. Despite best efforts, not all IDA participants who enroll into Indiana's IDA Program are ready for long-term saving and asset ownership. Below are some examples of closed accounts:

- **Terminated** – the IDA participant was in violation of Indiana's IDA Program rules and regulations and was subsequently terminated.
- **Voluntarily Closed** – the IDA participant voluntarily decided, due to circumstances or fit, to close his/her account and discontinue participation in Indiana's IDA Program.
- **Dormant or Abandoned** – the account was closed by an administering IDA Organization for lack of account activity or communication with the IDA participant.
- **Moved out of State** – the IDA participant moved out of state and is no longer eligible to receive state matching funds.
- **Graduated** – IDA Participant is no longer eligible for match and drew down all available funds for an approved asset purchase(s), subsequently leaving a zero balance requiring the account be closed.
- **Non Graduate** – IDA Participant failed to “graduate” and draw down funds for an approved asset purchase within 12 months preceding last match opportunity.

When an IDA account is closed, for either voluntary or involuntary purposes, the personal savings (plus interest) of the IDA participant is sent back to the last known address of the saver and any remaining match funds are sent back to the state.

## Program Termination

Indiana reserves the right to dismiss an IDA participant who fails to meet, or is in violation of, Indiana's IDA Program requirements, as set forth in Indiana Code the IDA Savings Plan Agreement or Participant Handbook. Examples of behavior which merit dismissal from Indiana's IDA Program are:

- Falsifying personal, income or application information.
- Non-compliance with IDA Savings Plan Agreement, including failure to comply with IDA savings requirements.
- Failure to complete Financial Literacy Education or Asset-Goal Specific Training.
- Unauthorized savings withdrawal(s).
- Failure to "graduate" program and draw down funds within 12 months preceding last match opportunity.

Termination from Indiana's IDA Program can be made at the discretion of IHEDA or the administering IDA Organization. To avoid termination and loss of match funds, it is recommended that each IDA participant keep in regular contact with his/her IDA Administrator, especially in the event of loss of income or other household changes that may negatively impact the IDA participants' ability to save.

**Failure to comply with these regulations may not only result in dismissal from the program, but also, the ability of the participant to participate in Indiana's IDA Program in the future.**

As with regular account closures, once a participant is terminated from Indiana's IDA Program, his/her account will be closed and the bank should send any personal savings (plus interest) accrued to date, should be sent back to the last known address of the IDA participant, while matching funds should be sent back to the state.


## Section 900: Database Management and Reporting

### IHCDAOnline

IHCDA requires IDA Administrators to utilize a comprehensive IDA database system. This system is named IHCDAOnline. The system is used: to maintain IDA participant and other program information, create and submit claims, and generate program reports. New IDA Administrators must be granted access to the system by IHCDA.

### IHCDAOnline Registration Process

Visit: [www.ihcdaonline.com](http://www.ihcdaonline.com)

**ihcda**   
Indiana Housing & Community Development Authority

**Indiana Housing Online Management System**

**Welcome to the AuthorityDMS Online Management System**

This site will allow organizations working with the Indiana Housing and Community Development Authority to manage information about their awards. Some of the features of this site are claims management, Owner Certifications, IDA Awards, NAP Reporting, and the Single Family software download. This site continues to be expanded for to allow our partners to work more closely with us and to streamline our processes.

Username:  [New User? Register Here.](#)

Password:

[Forgot Your Password?](#)


[Online Resources and Training Videos](#)

Click [Here](#) to visit the IHCDA website.

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- Before you are able to log in you must first setup an account with IHCDA. Above you will see a link for “New User? Register Here”.
- Fill in your information and the Organization you are with.
- Select the “Individual Development Account Access” in the lower part of the registration screen to request access to the IDA program within IHCDAOnline.

## Registration Continued



Indiana Housing & Community Development Authority

### Indiana Housing Online Management System

#### Registration

In order to gain access to this website, you must request it and have it approved by IHCD. Please enter the following information:

##### Profile Information

First Name:

Last Name:

Organization:

Organization Address:

City:

State:

Zip Code:

Telephone:

Fax: (optional)

E-mail:

Username:

Password:

Confirm Password:

NOTE: It is Recommended that new users use their business email address.

##### Access Types

Please check the box next to the type of access you are requesting. You should *only* request access to the program(s) that you are *directly* involved in. If you request access for a program that you are not involved with, you may find that your request will be denied for all programs.

☐ Annual Owner Certification and 8609 Access for Rental Housing

☐ Market Stabilization Program for Mortgages for Single Family Homeownership

☐ Neighborhood Assistance Program Access for Community Development

☒ Individual Development Account Access

☐ Claim Management Access

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- Once a user has registered, the IHCD IDA Administrator will review his/her information and approve access. A user will not be able to access the IDA program within IHCDOnline until approved.

## 901 Entering a New Application

Follow detailed instructions provided in the IHCDOnline User Manual.

Final step requires administrator to select 'Submit for Approval' button.

Select the required button and send email to IHCD IDA Administrator with participant's full name and last four digits of Social Security Number requested that application be approved.

Participant's status will remain 'Awaiting Approval' until approved by IHCD IDA Administrator. Once approved at IHCD level, participant's status will move to 'Active'.

### **Tracking Participant Activity**

All deposits, withdrawals, changes in contact information, etc. should be recorded in the system as described in the IHCDOnline User Manual.

### **Claims**

Matching and Administrative Claims must be created and submitted in the system as described in the IHCDOnline User Manual.

### **Reports**

Several reports are available to IDA Administrators. A list of available reports and instructions on pulling the reports can be found in the IHCDOnline User Manual.

### **Award Information**

Administrators can view and update information specific to their IDA awards. Detailed information regarding this functionality can be located in the IHCDOnline User Manual.

### **Bank Information**

Administrators will setup and maintain information for banks used by their agency for IDAs.

## 902 Program Year

The IDA program year runs from October 1 through September 30.

## 903 Contracts

IDA Administering Organizations will enter into a contractual agreement with IHCD to manage IDA accounts. There are up to three different contract types that may be extended to an administering organization.

### **'One Year Contracts'**

- Match Funds- should be used to match savings deposited by participants enrolled into the IDA program prior to the 2012-2013 program year. All participant savings will be matched at a rate of 3:1 under this contract.
- Administrative Funds- administrative costs associated with the management of the accounts matched under this contract should be claimed against the budget for this contract.

- Contract Terms- October 1, 2013- September 30, 2014
- Example Contract Title- IDA013-000

#### **'2012-2013 Four Year Contracts'**

- Match Funds- should be used to match saving deposited by participants enrolled into the IDA program during the 2012-2013 program year. All participant savings will be matched at a rate of 3:1 under this contract.
- Administrative Funds- administrative costs associated with the management of the accounts matched under this contract should be claimed against the budget for this contract.
- New Current Contract Terms- October 1, 2012- September 30, 2017
- Example Contract Title- IDA012B-000

#### **'Five Year Contracts'**

- Match Funds- should be used to match savings deposited by participants enrolled into the program during the 2013-2014 program year. All participant savings will be matched at a rate of 3:1 under this contract.
- Administrative Funds- administrative costs associated with the management of the accounts matched under this contract should be claimed against the budget for this contract.
- Contract Terms- October 1, 2013- September 30, 2018
- Example Contract Title- IDA013C-000

## **904 Legal Documents for Banks**

All participating financial institutions must have a signed Memoranda of Understanding on file with IHCD.



## Section 1000: Administrative Budgets

Administrative budgets can account for up to 15% of the overall program budget and must adhere to the following breakdown:

- Not less than **2 percent** of the overall budget must be used for data collection and management
- Not more than **7.5 percent** of the overall budget can be used to administer the project
- Remaining **5.5 percent** shall be used for non-administrative functions, including: providing assistance to participants in obtaining skills and provided applicable training.
  - If the agency does not use the entire 5.5% for financial education, the remaining funds can be used to fund administrative expenses.

## **Section 1100: Program Compliance and Monitoring**

### **1101 Overview of the Monitoring Timeline:**

- A. Indiana Housing and Community Development Authority (IHCDA) will conduct desktop or on-site monitoring, for IDA programs bi-annually.
- B. Review will generally take 1 day, and will be conducted alongside an agency's Energy Assistance Program review or Comprehensive Agency Review (CAR), whenever possible. There is no problem with completing some work in one week and some work in another week as long as the executive director agrees.
- C. The monitor will have 30 days to issue the report to the agency. The agency will have 30 days to respond to the report. At this point, the time between correspondences is reduced to 15 days.
- D. The monitor will track the progress of post review activities until all issues have been resolved at which time a final closure letter is issued.

### **1102 Monitor Preparation:**

- A. At least 30 days prior to the IDA review, the notice letter is sent to the Executive Director of the agency. This notification may be included with CAR or EAP monitoring notifications, when applicable.
- B. The monitor(s) will make travel arrangements, and gather all materials needed to conduct the review.
- C. The monitor(s) will review monitoring reports for the past two years, to ensure previous findings and concerns remain compliant.

### **1103 The Review:**

- A. Desktop Monitoring review will be conducted by phone, whenever possible. If monitor(s) are on-site, the review will occur subsequent to an EAP or CAR review. IDA should also attend the entrance interview, if applicable.
- B. The monitor(s) will conduct an interview, which will include any staff working directly with IDA, as designated by agency leadership. The interview will consist of questions, which assess program policy, procedure and client success.

- C. At the conclusion of an on-site review, the lead monitor will conduct an exit interview with the same agency personnel that attended the entrance interview. All outstanding items, findings, concerns, suggestions, and comments will be discussed. This will ensure that all surprises or confusion are avoided when the monitoring report is issued.
- D. All persons attending the exit interview will sign the exit interview form.

## **1104 The Report and Response Period:**

- A. Lead monitor will issue a report, outlining all findings, concerns and recommendation within thirty (30) days of the exit interview.
- B. Each finding will include a required corrective action by the agency. All concerns issued will list a good management practice, in which the agency is strongly encouraged to consider. The agency is not required to address recommendations, this is optional.
- C. If monitor(s) determines a financial finding, the agency must repay IHCD within thirty (30) days of the report. A financial finding, may occur when a client receives undue benefits, due to ineligibility, or is owed a credit, due to misapplication of funds.
- D. The agency has thirty (30) days to respond to IHCD, and is expected to address all findings and concerns.
- E. Initial appeals should occur in the agency's response to the monitor for reconsideration and/or dismissal. If the agency does not appeal its financial findings, please note it should provide documentation of repayment or credit to client(s) for closure to occur.
- F. If an agency requests reconsideration of any findings or concerns, the agency has fifteen (15) days to respond to IHCD monitor after it has received the first response.
- G. After each findings and concerns are addressed, and all payments have been submitted, if applicable, a close out letter will be issued.

## **1105 The Appeals Process:**

- A. Agencies that contest a finding or concern are expected to state their position in their response letter to the report. IHCD will either accept the position of the agency based on new information or evidence provided or continue to assert that the issue does constitute a finding or concern. At that point, the agency may send an appeal letter to the Deputy Director of Community Programs at IHCD.
- B. The agency will receive a reply within 30 days to its appeal. If the agency does not agree with the reply at this level, it may appeal again to the Executive Director of the IHCD whose response will be final.

## Section 1200: Appeals Process

This program manual shall serve as the primary definition of which qualified withdrawals/asset purchases are acceptable uses of IDA funds. In the event that a request for withdrawal is denied, participants may request, in writing, for their request to be reviewed by IHCDA. Requests can be submitted to:

Allison Knox  
Community Programs Analyst  
Indiana Housing & Community Development Authority  
30 South Meridian Street; Suite 1000  
Indianapolis, IN 46204

Reviews will be completed within 30 days and participants will be notified in writing of the Administrator's decision.

IDA participants that anticipate submitting an unusual asset purchase withdrawal request should ask their IDA administrator for a ruling about the acceptability of their request as far in advance of requiring IDA funds as possible.

## Section 1300: Training Requirements

### 1301 Financial Education Training

The purpose of financial literacy training is to help participants to better understand and gain better control over their finances. To do so, IDA participants are required to complete approximately 8-10 hours of core Financial Literacy Training.

When it comes to financial literacy, there's no such thing as one-size fits all. That said, while Indiana's IDA Program DOES NOT mandate that Administrators utilize a specific curriculum, below are several which are recommended by IHCD. You are free and encouraged to combine these curricula or add other materials to best serve your target population.

- **Making your Money Work** – Purdue Cooperative Extension
- **MoneyWi\$e**, developed by Capital One and Consumer Action. For additional information, go to [www.money-wise.org](http://www.money-wise.org)
- **Money Smart**, a curriculum available from the FDIC. Money Smart can be ordered through the FDIC website: <http://www.fdic.gov>

Several cycles of Financial Literacy Education training can be offered during each Program year, so that Participants can begin the course as soon as possible after acceptance into the program. Fewer cycles of the Financial Education classes may be needed after the first and second years of the Program, since most of the Participants will have already completed the classes.

An IDA Participant Attendance Sheet is included and can be found in Additional Forms, which you can use to record Participants' attendance.

### 1302 Online Financial Education

In some circumstances, you might need to have a participant take the financial education course independently, perhaps because issues with work schedules, finances or transportation are not conducive to attending such trainings. For situations such as these, it may be acceptable to provide the required financial literacy requirement via independent study. As such, an online version of Money Smart is available at:

<http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>.

## 1303 Minimum Curriculum Elements

If you choose to develop your own training or use another curriculum, it must minimally include the following core elements:

- Setting long- and short-term goals
- Developing household budgets
- Developing systems to keep records for budgeting and income tax purposes
- Identifying how, why and when to use credit
- Repairing negative credit histories
- Determining why, where and when to use financial institutions
- Using tax credits to increase financial security (e.g. EITC, CCTC etc.)
- Financial goal setting: money values
- Net worth and income determinations and budgeting
- Consumer credit rights

You may supplement the content or materials as you feel necessary. For example, you might want to bring in experts from the community to speak to the class on taxes, banking, insurance, credit or other topics.

## 1304 Suggested Tips

- **Assess participants' literacy** – Given that more than 20% of the United States population has a functional reading level at the 4th grade or lower, it is likely that some IDA participants will have low literacy and numeracy skills.
- **Identify participants with learning disabilities**
- **Identify the learning style of participants** – Research suggests that there are at least seven ways in which individuals take in and retain information. Trainers should try to maximize the effectiveness of their trainings by diversifying their training methods to fit the learning styles of their participants. For additional information on adult learning styles, please see Appendix C.
- **Assess language or cultural barriers**
- **Create a comfortable and accessible learning environments** – Previous negative experiences with formal education may create barriers to learning for some participants. Trainers and Administrators should take care to provide a comfortable setting for participants. The location of meetings should be chosen carefully to ensure that participants feel welcome and comfortable, both physically and psychologically.

- **Schedule convenient classes** – Since most of your participants will be working during the day, it will probably be necessary to schedule financial literacy trainings in the evenings or on a Saturday to accommodate participant’s schedules.
- **Assess participants’ childcare and transportation needs** – Childcare needs or poor access to transportation may prevent participants from attending required trainings and other much needed services. As such, Administering IDA Organizations should consider taking additional steps to facilitate attendance by providing these services to your clients. Moreover, it is important that we remember that the IDA Program is a family program. The more children understand and support their parents in their savings goals, the greater the likelihood of the family’s success.

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## 1305 Credit Counseling

In addition to basic financial education and general case management, Administering IDA Organizations are required to provide or refer account holders to credit counseling, as needed. The long-term nature of the IDA program gives program staff the chance to work with participants over time to help them improve their credit. Credit counseling can be done by the IDA Administrator, if he/she has the expertise, or through a certified consumer counseling agency.

Credit counseling must include, but is not limited to: credit history assessment, credit repair assistance and credit stability counseling.

## 1306 Asset-Goal Specific Training

In addition to basic financial education, each IDA participant is required to complete asset-goal specific training as appropriate for asset purchase. Generally speaking, Asset-Goal Specific Training should last approximately 6-8 hours and should cover the following topics:

### Homeownership Counseling

- Learn how much house you can afford;
- Understand what a sub-prime loan is and how to recognize predatory lending practices;
- Learn where to get down payment and closing cost;
- Learn how to qualify for First Home, First Home Plus or USDA loan programs;
- Understand the settlement process;
- Get tips on how to maintain your home; and
- Learn how to avoid foreclosure;

### Small Business Training

- Identify potential customers and target markets;
- Develop a business plan;
- Develop a marketing plan;
- Learn how to track the cash flow of your business;
- Learn about different types of small business loans; and
- Learn what professional resources are available.

### Higher Education and Career Counseling

- Meet with a counselor to discuss your education/career goals;
- Write an education/career plan;
- Get help with the college search and application process;
- Learn about local job training programs and services; and
- Learn to identify different grants and scholarships which can help subsidize the cost of your education.



## Section 1400: Additional Policies

### Acknowledging IHCD A Funding in Your Publications

The Indiana Housing and Community Development Authority (IHCD A) grantees, award recipients, and their sub grantees must acknowledge funding in all publications that describe services and activities that are funded in whole or in part with their IHCD A award.

Publications that should include an acknowledgement of IHCD A funding include: funds statements, press releases, marketing materials such as brochures and presentations used for recruiting participants, and all other documents that describe your organization’s outreach efforts and programmatic offerings.

Recipients are asked to send a draft of such materials to IHCD A prior to publication/disbursement to ensure accurate information is presented, as well as for accountability and consistent messaging.

## 1401 Acknowledging AFI Grant Funding in Your Publications

Assets for Independence (AFI) grantees—and their sub grantees—must acknowledge Federal funding when in all publications that describe services and activities that are funded in whole or in part with their AFI grant.

Publications that should include an acknowledgement of Federal funding include: funds statements, press releases, marketing materials used for recruiting participants (e.g., brochures and presentations), and all other documents that describe your financial education and individual development account offerings. Recipients are required to state (1) the percentage and dollar amounts of the total program or project costs financed with Federal funds and (2) the percentage and dollar amount of the total costs financed by other sources.

This requirement is found in the U.S. Department of Health and Human Services’ [Grants Policy Statement](#), which establishes policies for grantees under a variety of HHS programs. The AFI Resource Center encourages grantees to become familiar with the requirements found in Part II of the document, which covers HHS-wide terms and conditions for grants. Note that these requirements are in addition to the [official AFI grant documents](#) that you received upon grant award: Official Award Letter, Standard and Special Terms and Conditions, and Federal Financial Assistance Award.

To meet this requirement, grantees and sub grantees can customize the sample text below for inclusion in their publications:

A grant from Assets for Independence (AFI), a program of the U.S. Department of Health and Human Services, funds approximately 50 percent (\$1,000,000/annually) of costs for this program. The remaining 50% (\$1,000,000/annually) is funded through non-Federal sources.

## **1402 Confidentiality**

All applications, bank statements, documents and other files related to an IDA participant will be kept confidential by IHCD and partnering IDA Organizations. For purposes of reporting, certain information may be shared with Family and Social Services Administration (FSSA) or Health and Human Services (HHS). However, at no time will any information unnecessarily be shared with anyone not affiliated with Indiana's IDA Program.

## **1403 Non-Discrimination**

No person shall, on the grounds of race, gender, age, creed, ethnic origin, disability, or sexual orientation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in Indiana's IDA Program.

## **1404 Multiple Household IDAs**

According to Indiana Code, only one member per household may simultaneously hold an IDA at a given time. Information regarding the definition of what constitutes a household may be retrieved from any administering IDA Organization.

## **1405 Nepotism**

IHCD does not condone any impropriety, conflict of interest or nepotism. For that reason, IDA program staff as well as friends or family members of IDA program staff are prohibited from participating in Indiana's IDA Program, at the program site where their affiliation takes place. When possible, however, the affiliated individual may seek participation in Indiana's IDA Program at a neighboring IDA Organization.

Non IDA-affiliated staff of the Administering IDA organization may be eligible for an IDA provided that the total number of employee accounts equal the lesser of three (3) accounts or ten percent (10%).

## **1406 Account Garnishment**

Federal law prohibits creditors from seizing federal assistance payments for programs such as Social Security, Supplemental Income (SSI) and veterans benefits. However, these laws do not apply to IDA accounts. That said, while banks may garnish funds held in an individual IDA account, Banks may not garnish match funds, funded through the state.

Effective May 2011, new Federal Laws require that banks comply with existing anti-garnishment laws. Under these regulations banks are now required to determine whether or not public assistance funds have been deposited into a beneficiary's account. This means, while match funds may be safe, personal savings may not, thus match funds may be recaptured by the State.

## **1407 Beneficiary Designation**

Upon acceptance into Indiana's IDA Program, each IDA participant must designate an account beneficiary in the event of death. According to Indiana Code, when the account beneficiary is member of the participant's family, all funds (savings and match) will remain and the IDA will transfer to said family member, who is subject to the same rules and regulations of the IDA Program as the deceased. Conversely, when the designee is not a member of the IDA participant's family, all matching funds are forfeited and returned to the state, while any personal savings will be transferred directly to the beneficiary.

## **Appendix**

<b>Appendix A</b>	<b>Indiana Code</b>
<b>Appendix AA</b>	<b>IDA Participant Files</b>
<b>Appendix B</b>	<b>AFI Legislation</b>
<b>Appendix BB</b>	<b>Owner Occupied Rehabilitation Guidance</b>
<b>Appendix C</b>	<b>Sample IDA Contract</b>
<b>Appendix CC</b>	<b>Two Year Savings Plan Agreement</b>
<b>Appendix D</b>	<b>Budget Worksheet</b>
<b>Appendix F</b>	<b>List of Program Administrators</b>
<b>Appendix G</b>	<b>Participant Application</b>
<b>Appendix H</b>	<b>Four Year Savings Plan Agreement</b>
<b>Appendix I</b>	<b>Account Change Form</b>
<b>Appendix J</b>	<b>Account Closeout Form</b>
<b>Appendix K</b>	<b>Asset Withdrawal Form</b>
<b>Appendix L</b>	<b>Business Assessment Form</b>
<b>Appendix M</b>	<b>Business Withdrawal Checklist</b>
<b>Appendix N</b>	<b>Education Withdrawal Checklist</b>
<b>Appendix O</b>	<b>Homeownership Assessment Form</b>
<b>Appendix P</b>	<b>Homeownership Withdrawal Checklist</b>
<b>Appendix Q</b>	<b>Financial Skills Assessment</b>
<b>Appendix R</b>	<b>IDA Training Log</b>
<b>Appendix S</b>	<b>Income Calculator Worksheet</b>
<b>Appendix T</b>	<b>Participant Assessment Tool</b>
<b>Appendix U</b>	<b>Release of Information</b>
<b>Appendix V</b>	<b>Emergency Withdrawal Request Form</b>
<b>Appendix W</b>	<b>Training Certification</b>
<b>Appendix X</b>	<b>New Participant Welcome Letter</b>
<b>Appendix Y</b>	<b>Zero Income Affidavit</b>
<b>Appendix Z</b>	<b>IDA Income Calculation Worksheet Instructions</b>